

## HOUSTON BUSINESS JOURNAL

BUSINESS PULSE SURVEY: Will House Bill 3 be effective?

# City nails contractors for failure to complete construction jobs

Houston Business Journal - March 17, 2006 by Jenna Colley Houston Business Journal

Two Houston construction companies have learned the hard way that you can't fight City Hall.

The firms -- Primis Construction Corp. and Jackson Construction Services Inc. -- have been banned for two years from City of Houston work after falling short on separate contracts. The shut-outs are only the second and third of their kind since a city ordinance enabled such action in 2000.

City building officials hope the debarments send a clear message to contractors: Do the job, or don't apply.

"The large majority of contractors are good contractors, and we value their services to the city and want them to compete on city projects," says Issa Dadoush, head of the city's building services department. "But we want to send a very strong message. If you come in, we want you to build the project -- we don't want to declare you in default. We want responsible contractors who can perform."

Primis was debarred for abandoning a \$2.8 million fire station job at 3350 Breezewood Drive that the firm was hired to undertake in 2002.

After holding a hearing to evaluate the contract's status -- which Primis officials opted not to attend -- the city moved to have the company ousted from the project. Primis' surety has since stepped in and hired another firm to complete the job.

Although the city wasn't forced to pay additional cash to finish the fire station, Dadoush says, valuable time was devoted to reconciling the situation.

"Time is money," he says.

Primis officials could not be reached for comment.

In similar fashion, Jackson Construction Services also failed to complete a city contract. In 2003, Jackson was awarded a contract to perform roofing services on three city facilities -- two health clinics and a community center. Jackson, hired for just under \$600,000, started having problems with the assignment to rehab the Riverside Neighborhood Health Center in 2004 and was ordered off the work-site for non-performance early that year. (See "Contractor hammered in Riverside roof dispute," March 8, 2004.)

Jackson officials also did not appear during a city hearing set to address the matter. Jackson's surety has since stepped in to ensure that the jobs were completed.

Jackson officials also could not be reached for comment.

*All contents of this site © American City Business Journals Inc. All rights reserved.*

The recent debarments are the result of a newly instated policy by Mayor Bill White's administration toward accountability.

Earlier this year, the city blacklisted a company for the first time, using an ordinance passed six years ago.

That company, Stephens Construction Services, was temporarily barred from city work after abandoning a \$2.6 million project to build a fire station in Clear Lake.

So far, local construction industry representatives seem to be in support of the debarment scenario.

"We are in favor of a process like this," says Russell Hamley, president of the Associated Builders & Contractors Inc.'s Houston chapter. "Like every industry in the world, there are good contractors and bad contractors; and the bad contractors ... leave a myriad of problems behind them."

Indeed, despite the string of botched jobs, the city is working to rectify the problem associated with non-completion of contracts.

One new method in place to ward off future issues lies in the city's selection process.

By tapping into some relatively new state legislation, the city since last August has been able to award jobs based on performance instead of the lowest bid. Although restricted to facility construction contracts of more than \$1 million, the municipality now has more freedom in its selection process.

For example, the company hired to undertake a \$14.9 million project renovation of the Central Library in downtown Houston was awarded the contract based on a range of criteria, not the lowest price.

"We now select contractors that provide the best value to the city rather than those that have the low bids," Dadoush says.

*jcolley@bizjournals.com • 713-960-5932*

[Send us your comments](#) [More Latest News →](#)

• Get the latest business news on the go! **Brought to you by** Cingular